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April 6, 2011

Via email

Ann Bailey
ENERGY STAR® Product Labeling
U.S. Environmental Protection Agency
mostefficient@energystar.gov

Re: **“Most Efficient” ENERGY STAR Pilot Program**

Dear Ms. Bailey,

We have serious reservations that may very well cause Whirlpool Corporation not to participate in the proposed “Most Efficient” Pilot Program that was put forth by the EPA on March 17, 2011. To further expand upon our reservations and concerns, we would like to emphasize the following:

- 1) The proposed program is not in line with the fundamental ENERGY STAR guiding principle of “making it easy for consumers to identify and purchase energy-efficient products that offer savings on energy bills without sacrificing performance, features, and comfort”.
- 2) The pilot timing is not conducive to product development and market dynamics such as selling seasons for refrigeration and marketing.
- 3) Enforcement of “Most Efficient” labeling has not been addressed.
- 4) More consumer research is needed.

Additionally, as a very active member of the Association of Home Appliance Manufacturers (AHAM), we have worked closely with them in the development of the comments they have submitted (under separate cover) regarding this matter. Please be advised that we support and echo the positions taken by AHAM. It is important to note that given their position as an industry organization, AHAM cannot offer comments either for or against the “Most Efficient” proposal. Their response only refutes the details of the program as proposed. We address both principles and details of our reservations herein. These points are outlined below.

ENERGY STAR Guiding Principle

In the EPA Cover Memo, it states the program would be an “extension of the ENERGY STAR brand” and then goes on to state that “given the role Most Efficient recognition is intended to play relative to the ENERGY STAR label and given the target audience, it is not the goal of the program to ensure that there are qualifying models in all configurations or sizes”. We believe

the latter is incompatible with the former. As we stated earlier, a fundamental principle of the ENERGY STAR brand is “making it easy for consumers to identify and purchase energy-efficient products that offer savings on energy bills without sacrificing performance, features, and comfort”. By having an absolute criteria level of $MEF \geq 3.0$, $WF \leq 3.0$ for clothes washers and a qualifying level for refrigerators ≤ 403 kWh, the program will automatically exclude the most popular features and comfort packages for consumers, thereby making the “Most Efficient” program inconsistent with the ENERGY STAR promise. For example, both a 25 cubic foot refrigerator with ice and water through the door and high efficiency top load clothes washers will be excluded from this program. A refrigerator with ice and water through the door saves energy because the design prevents users from having to open the door frequently just to retrieve water and/or ice. Door openings contribute significantly to energy use in the home. Many of these configurations are consumer preferred by as much 3 to 1 when compared to the configurations that will qualify under the “Most Efficient” ENERGY STAR program. Moreover, when a consumer is in the process of making their purchase decision, the lack of consistency with this key guiding principle could inadvertently deceive them into thinking these configurations are comparatively inadequate by not clarifying how these “Most Efficient” levels implicitly exclude the most popular configurations. Clearly, the agency does not want to be branded as one whose programs preclude the purchase of products that American families desire most for their real world needs.

Timing and Enforcement

In the proposal put forth by the EPA, there was no mention of labeling enforcement. Should the program go forward before doing additional consumer research and/or testing, we request that the EPA clarify how it intends to ensure integrity within the program. For example, under a calendar year approach cited by the agency in the proposal, if a product is deemed through the verification process not in compliance with its “Most Efficient” status, but is still ENERGY STAR qualified, will the penalties be the same as those that are assessed when a manufacturer is not in compliance with ENERGY STAR? Moreover, as we indicated in our previous comments on this issue, products that are introduced later in the year, due to factors such as seasonality within a given product categories development cycle, will be penalized when recognized for only a limited time. Manufacturers are also not being afforded enough time to develop and market products for the program. For example, the refrigerator season will begin in the coming month, which is when the proposed “Most Efficient” program would be introduced. We cannot support this program with the proper marketing materials in that short of a time period.

Consumer Research Required

As we indicated in our previous comments, we believe comprehensive consumer research still needs to be done in order to better understand the viability of this program with all consumers before rolling it out on the scale the EPA is proposing. The focus groups that were used do not allow for adequate quantitative data that is needed to properly evaluate this proposal. Consumers from areas of New York, Atlanta, Denver and San Francisco are not likely to be representative of all American consumers on this proposal, particularly those from the Midwest or non-urban areas. We urge the EPA to continue to build on what is a great start to a comprehensive study before making any decisions on whether or not to move forward with a pilot.

These are the primary reasons for our serious reservations that may very well cause Whirlpool Corporation not to participate in the proposed “Most Efficient” Pilot Program. We appreciate the opportunity, through the collaborative effort that has been shared between the EPA and

stakeholders, to submit these comments on ENERGY STAR's proposal regarding a "Most Efficient" Pilot Program.

Sincerely,

A handwritten signature in dark ink, reading "Nick Gillespie". The signature is fluid and cursive, with a long horizontal stroke at the end.

Nick Gillespie
Government Relations Senior Specialist